Income Tax on profits of exporters

2864. SHRI DATTA MEGHE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have imposed Income Tax on profit earned by exporters through the sale of Duty Entitlement Pass Book credit;

(b) if so, the details thereof;

(c) whether the export promotion bodies have launched an agitation against this move of Government;

(d) if so, the details thereof; and

(e) Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b)As per existing provisions of the Income Tax Act, 1961, profit on sale of Duty Entitlement Pass Book credit is not eligible for deduction under section 80 HHC.

(c) to (e) On a reference from exporters, the matter was referred to Prime Minister's Economic Advisory Council. The Council has recently submitted its report. Action has been initiated for implementation of the recommendations of the Council.

Review of service tax

2865. SHRIMATI N.P DURGA: Will the Minister of FINANCE be pleased to state:

(a) the details of sectors on which service tax at present is imposed by Government;

(b) whether it is a fact that his Ministry propose to review the Service Tax on some of the sectors like shipping and management consultancy; and

(c) the reasons for reviewing the (a) above?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) A* present, service tax is leviable on eighty four services specified under section 65(105) of the Finance Act, 1994.